

THE HONORABLE CAROL SCHAPIRA

SUPERIOR COURT OF THE STATE OF WASHINGTON  
FOR KING COUNTY

SEATTLE CITY EMPLOYEES'  
RETIREMENT SYSTEM, an agency of the  
City of Seattle,

Plaintiff,

v.

EPSILON GLOBAL ACTIVE VALUE FUND  
II, LTD., a British Virgin Islands corporation,  
EPSILON GLOBAL MASTER FUND II, L.P.,  
a limited partnership formed under the laws of  
the Cayman Islands, EPSILON  
INVESTMENT MANAGEMENT, LLC, a  
Delaware limited liability company, EPSILON  
GLOBAL ASSET MANAGEMENT LTD., a  
corporation formed under the laws of the  
Cayman Islands, and STEVEN G.  
STEVANOVICH, a resident of Florida,

Defendants.

No. 10-2-10235-3 SEA

DECLARATION OF JOSEPH M.  
MCMILLAN

I, JOSEPH M. MCMILLAN, hereby declare as follows:

1. I am one of the attorneys for Defendants in the above-captioned action. I make  
this Declaration based upon personal knowledge, about which I am competent to testify.

DECLARATION OF JOSEPH M. MCMILLAN – 1

Perkins Coie LLP  
1201 Third Avenue, Suite 4800  
Seattle, WA 98101-3099  
Phone: 206.359.8000  
Fax: 206.359.9000

1           2.       Attached as Exhibit A is a true and correct copy of the Court's Temporary  
2  
3 Restraining Order and Order to Show Cause Why a Preliminary Injunction Should Not Issue,  
4  
5 dated March 15, 2010.

6  
7           3.       Attached as Exhibit B is a true and correct copy of the Declaration of Bradley P.  
8  
9 Thoreson in Support of Motion for Temporary Restraining Order and Order to Show Cause Why  
10  
11 a Preliminary Injunction Should Not Issue (without exhibits), dated March 15, 2010.

12  
13           4.       Attached as Exhibit C is a true and correct copy of the Court's Amended  
14  
15 Temporary Restraining Order and Order to Show Cause Why a Preliminary Injunction Should  
16  
17 Not Issue, dated March 16, 2010.

18  
19           5.       Attached as Exhibit D is a true and correct copy of a cover letter, dated March 23,  
20  
21 2010, which was hand delivered to corporate counsel in the British Virgin Islands for Epsilon  
22  
23 Global Active Value Fund II, Ltd. ("Epsilon II"), and which enclosed the Summons, Complaint,  
24  
25 the March 15 TRO, and other filings in the action.

26  
27           6.       On the morning of Wednesday, March 24, 2010, my colleague Harry H.  
28  
29 Schneider, Jr., and I contacted Plaintiff's counsel (Bradley Thoreson) and told him that Perkins  
30  
31 Coie had been asked by Epsilon II to appear on its behalf in this action (and potentially on behalf  
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33 of one or more of the other Defendants). We informed him that certain arrangements needed to  
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35 be made before Perkins Coie would undertake the representation and enter the case, but that we  
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37 expected those to be in place within 48 hours. (The next day, on March 25, Perkins Coie was  
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39 retained to represent all Defendants in this action.) We also requested that, in exchange for  
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41 Defendants' agreement that the TRO would remain in effect until the hearing on Plaintiff's  
42  
43 Motion for Preliminary Injunction, Plaintiff agree to continue that hearing for two weeks, until  
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45 April 12, 2010. We explained that this would give us a reasonable opportunity to review the  
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47 papers, ascertain the relevant facts, and respond to Plaintiff's Motion for a Preliminary  
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49 Injunction. Plaintiff's counsel refused to agree to a continuance of the hearing, unless  
50  
51 Defendants agreed that one of the elements of the mandatory injunctive relief sought – the

1 production of documents – would occur by a date certain. We asked that Plaintiff's counsel  
2 consult with his client about Defendants' proposed stipulation, and he indicated he would do so.  
3 Attached as Exhibit E is a true and correct copy of a follow-up letter from defense counsel  
4 (Harry H. Schneider, Jr.) to Plaintiff's counsel (Bradley P. Thoreson) sent later that day via email  
5 and facsimile.  
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11 7. After the phone conversation with Plaintiff's counsel, Perkins Coie immediately  
12 began drafting the motion and supporting papers for continuance of the hearing date and the  
13 associated motion to shorten time. Later that evening, Plaintiff's counsel informed Mr.  
14 Schneider that Plaintiff would not agree to a continuance unless Defendants agreed to produce  
15 documents that are a subject of the TRO. Attached as Exhibit F is a true and correct copy of the  
16 email correspondence from Plaintiff's counsel (Samuel Bull) providing such response.  
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25 **I declare under penalty of perjury under the laws of the State of**  
26 **Washington that the foregoing is true and correct.**  
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28  
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30 EXECUTED at Seattle, Washington this 25<sup>th</sup> day of March, 2010.  
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Joseph M. McMillan

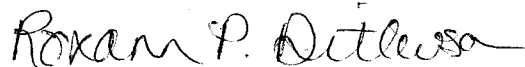
# CERTIFICATE OF SERVICE

On the 25th day of March, 2010, I caused to be served upon the following, at the address stated below, via the method of service indicated, a true and correct copy of the foregoing document.

Bradley P. Thoreson	<input checked="" type="checkbox"/>	Via hand delivery
Samuel T. Bull	<input type="checkbox"/>	Via U.S. Mail, 1st Class,
Miriam H. Cho	<input type="checkbox"/>	Postage Prepaid
Foster Pepper PLLC	<input type="checkbox"/>	Via Overnight Delivery
1111 Third Avenue, Suite 3400	<input type="checkbox"/>	Via Facsimile
Seattle, WA 98101	<input checked="" type="checkbox"/>	Via Email
thorb@foster.com		
bulls@foster.com		
chomi@foster.com		

I certify under penalty of perjury under the laws of the State of Washington that the foregoing is true and correct.

DATED at Seattle, Washington, this 25th day of March, 2010.



Roxann P. Ditlevson

Exhibit A

Exhibit A

**PRESENT IN PERSON**

RECEIVED

15 MAR 2010 10 45

DEPARTMENT OF  
JUDICIAL ADMINISTRATION  
KING COUNTY, WASHINGTON

**EXPO 1**

SUPERIOR COURT OF WASHINGTON IN AND FOR KING COUNTY

SEATTLE CITY EMPLOYEES'  
RETIREMENT SYSTEM, an agency of the  
City of Seattle,

Plaintiff,

v.

EPSILON GLOBAL ACTIVE VALUE FUND  
II, LTD., a British Virgin Islands corporation,  
EPSILON GLOBAL MASTER FUND II, L.P.,  
a limited partnership formed under the laws of  
the Cayman Islands, EPSILON INVESTMENT  
MANAGEMENT, LLC, a Delaware limited  
liability company, EPSILON GLOBAL ASSET  
MANAGEMENT LTD., a corporation formed  
under the laws of the Cayman Islands, and  
STEVEN G. STEVANOVICH, a resident of  
Florida,

Defendants.

Cause No. 10-2-10235-3 SEA

~~PROPOSED~~ TEMPORARY  
RESTRAINING ORDER AND ORDER  
TO SHOW CAUSE WHY A  
PRELIMINARY INJUNCTION  
SHOULD NOT ISSUE

This matter came on regularly before the Court upon the Motion For A Temporary Restraining Order And Order To Show Cause Why A Preliminary Injunction Should Not Issue ("Motion") filed by Seattle City Employees' Retirement System ("SCERS").

SCERS seeks an order: (1) requiring Defendant Epsilon Global Active Value Fund II, Ltd. ("Epsilon II") to produce to SCERS an annual report and audited financial statement for the 2008 fiscal year and to provide the annual report and audited financial statement for the 2009 fiscal year when they come due on May 1, 2010; or (2) to the extent the 2008 annual report and 2008 audited financial statement do not exist, requiring Defendant Epsilon II to produce all

TEMPORARY RESTRAINING ORDER AND ORDER  
TO SHOW CAUSE WHY A PRELIMINARY INJUNCTION  
SHOULD NOT ISSUE - 1

FOSTER PEPPER PLLC  
1111 THIRD AVENUE, SUITE 3400  
SEATTLE, WASHINGTON 98101-3299  
PHONE (206) 447-4400 FAX (206) 447-9700

1 underlying documents provided to Epsilon II's auditor, PricewaterhouseCoopers ("PwC"), for  
 2 the purposes of preparing 2008 audited financial statements for Epsilon II; or (3) to the extent  
 3 Epsilon II is unable to produce the 2008 annual report and audited financial statements, or all  
 4 underlying documents provided to Epsilon II's auditor, PwC, for the purposes of preparing the  
 5 2008 audited financial statements for Epsilon II because Defendants Epsilon Global Master Fund  
 6 II, L.P. ("Epsilon Master"), Epsilon Global Asset Management Ltd. ("Epsilon Global"), Epsilon  
 7 Investment Management, LLC ("Epsilon Management") and Steven G. Stevanovich  
 8 ("Stevanovich") (collectively "Defendants") have such documents, requiring Defendants to  
 9 produce the above-mentioned documents to SCERS; and (4) directing the immediate issuance of  
 10 a subpoena requiring Equinox Alternative Investment Services Ltd., Epsilon II's current fund  
 11 administrator/broker; Goldman Sachs & Co., Epsilon II's former broker; and JPMorgan Chase,  
 12 Epsilon II's former broker, to produce all financial information related to Epsilon II from 2003 to  
 13 present; and (5) preventing Epsilon II from taking any action harmful to Plaintiff's position as an  
 14 investor in Epsilon II and/or its investment in Epsilon II; and (6) preventing Epsilon II from  
 15 paying any management fee to Epsilon Management, or any other entity, while redemptions are  
 16 not being permitted from Epsilon II.

17 The Court has considered all of the records and files herein, including the following:

- 18 1. Plaintiff's Summons and Complaint;
- 19 2. Plaintiff's Motion For A Temporary Restraining Order And Order To Show  
 20 Cause Why A Preliminary Injunction Should Not Issue;
- 21 3. Declaration of Cecelia Carter In Support of Plaintiff's Motion For Injunctive  
 22 Relief with attached exhibits;
- 23 4. Declaration of Bradley P. Thoreson with attached exhibits;
- 24 5. Plaintiff's Proposed Temporary Restraining Order and Order to Show Cause Why  
 25 A Preliminary Injunction Should Not Issue.
- 26 6. Any opposition pleadings filed by Defendants.

TEMPORARY RESTRAINING ORDER AND ORDER  
 TO SHOW CAUSE WHY A PRELIMINARY INJUNCTION  
 SHOULD NOT ISSUE - 2

FOSTER PEPPER PLLC  
 1111 THIRD AVENUE, SUITE 3400  
 SEATTLE, WASHINGTON 98101-3299  
 PHONE (206) 447-4400 FAX (206) 447-9700

1           7. Any reply pleadings filed by Plaintiff.

2           Based on the record, as well as the oral argument of counsel, and being otherwise fully  
3 informed,

4           **THE COURT FINDS THAT:**

5           1. This Court has jurisdiction in this matter and venue is proper in King County,  
6 Washington;

7           2. SCERS provided Notice to Defendants of this motion on March 15, 2010;

8           3. SCERS has demonstrated a substantial likelihood of success on the merits of its  
9 claims by demonstrating a clear legal right, pursuant to the agreement between it and Epsilon II,  
10 to the 2008 annual report and audited financial statement, or to the extent the 2008 annual report  
11 and audited financial statement do not exist, all underlying documents provided to Epsilon II's  
12 auditor, PwC, for the purposes of preparing 2008 audited financial statement;

13           4. SCERS also has a clear legal right to demand the 2008 annual report and 2008  
14 audited financial statements from Stevanovich, Epsilon Master Fund, Epsilon Global, and/or  
15 Epsilon Management, to the extent these related entities have the documents;

16           5. Epsilon II's consistent refusal to comply with the parties' contract and indication  
17 it does not intend to provide these documents provides a well grounded fear of immediate  
18 invasion of SCERS's right to these documents;

19           6. Defendants' cavalier refusal to produce financial records regarding SCERS's  
20 Epsilon II investment has left SCERS in the dark regarding the true value of its investment and  
21 SCERS will be irreparably harmed if Epsilon II is permitted to take any other action that will be  
22 harmful to it as an investor or its investment (especially in light of the fact that Epsilon II is  
23 currently not permitting SCERS to redeem its shares), or if Epsilon II continues to pay any  
24 management fee while SCERS is being denied redemption (and therefore, no work is being done  
25 with respect to SCERS's investment). Under these circumstances, an immediate injunction is  
26 necessary to protect SCERS from being further damaged;

TEMPORARY RESTRAINING ORDER AND ORDER  
TO SHOW CAUSE WHY A PRELIMINARY INJUNCTION  
SHOULD NOT ISSUE - 3

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7. The balance of equities in this matter tilt sharply in favor of Plaintiff. Defendants' conduct is clearly at odds with the parties' contract and Defendants are not entitled to stonewall SCERS, hiding behind the various corporate entities operated by Stevanovich in blatant disregard of SCERS's rights.

Based on these findings, and upon all of the other facts submitted to the Court, NOW THEREFORE, it is hereby:

**ORDERED AND DECREED THAT:**

1. Plaintiff's Motion For A Temporary Restraining Order And Order To Show Cause Why A Preliminary Injunction Should Not Issue is **GRANTED**;

2. The Temporary Restraining Order shall remain in full force and effect pending the Court's determination on an Order to Show Cause Why A Preliminary Injunction Should Not Issue currently set for MARCH 29, 2010 at 4:00 AM/PM before the HONORABLE CAROL SATAPITZA Department 28, King County Courthouse, Seattle, Washington; and

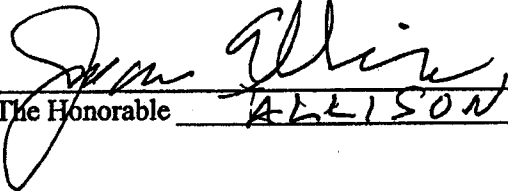
Defendants, and any agents or other parties acting on behalf of or in concert with Defendants, are hereby **ORDERED** to: (1) produce to SCERS an annual report and audited financial statement for the 2008 fiscal year and to provide the annual report and audited financial statement for the 2009 fiscal year when they come due on May 1, 2010; or (2) to the extent the 2008 annual report and 2008 audited financial statement do not exist, produce all underlying documents provided to Epsilon II's auditor, PricewaterhouseCoopers ("PwC"), for the purposes of preparing 2008 audited financial statements for Epsilon II; and (3) Equinox Alternative Investment Services Ltd., Epsilon II's current fund administrator/broker; Goldman Sachs & Co., Epsilon II's former broker; and JPMorgan Chase, Epsilon II's former broker, are to produce all financial information related to Epsilon II from 2003 to present; and (5) Epsilon II is to cease from taking any action harmful to Plaintiff's position as an investor in Epsilon II and/or its investment in Epsilon II; and (6) Epsilon II is to cease from paying any management fee to

TEMPORARY RESTRAINING ORDER AND ORDER  
TO SHOW CAUSE WHY A PRELIMINARY INJUNCTION  
SHOULD NOT ISSUE - 4

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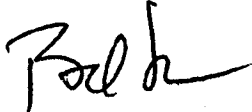
1 Epsilon Management, or any other entity, while redemptions are not being permitted from  
2 Epsilon II.

3  
4 DONE IN OPEN COURT this 15 day of March, 2010.

5  
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7   
8 The Honorable ALLISON

9 Presented By:

10 FOSTER PEPPER PLLC

11   
12

13 Bradley P. Thoreson, WSBA No. 18190  
14 Samuel T. Bull, WSBA No. 34387  
15 Miriam H. Cho, WSBA No. 40238  
16 Attorneys for Plaintiff Seattle City Retirement Systems  
17  
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TEMPORARY RESTRAINING ORDER AND ORDER  
TO SHOW CAUSE WHY A PRELIMINARY INJUNCTION  
SHOULD NOT ISSUE - 5

FOSTER PEPPER PLLC  
1111 THIRD AVENUE, SUITE 3400  
SEATTLE, WASHINGTON 98101-3299  
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Exhibit B

Exhibit B

SUPERIOR COURT OF WASHINGTON IN AND FOR KING COUNTY

SEATTLE CITY EMPLOYEES'  
RETIREMENT SYSTEM, an agency of the  
City of Seattle,

Plaintiff,

v.

EPSILON GLOBAL ACTIVE VALUE FUND  
II, LTD., a British Virgin Islands corporation,  
EPSILON GLOBAL MASTER FUND II, L.P.,  
a limited partnership formed under the laws of  
the Cayman Islands, EPSILON INVESTMENT  
MANAGEMENT, LLC, a Delaware limited  
liability company, EPSILON GLOBAL  
ASSET MANAGEMENT LTD., a corporation  
formed under the laws of the Cayman Islands,  
and STEVEN G. STEVANOVIICH, a resident  
of Florida,

Defendants.

No. 10-2-10235-3 SEA

DECLARATION OF BRADLEY P.  
THORESON IN SUPPORT OF MOTION  
FOR TEMPORARY RESTRAINING  
ORDER AND ORDER TO SHOW  
CAUSE WHY A PRELIMINARY  
INJUNCTION SHOULD NOT ISSUE

BRADLEY P. THORESON declares:

1. I am of legal age, have personal knowledge of the facts stated herein, and I am  
competent to testify to them.

2. On Monday, May 15, 2010 concurrently with the filing of the lawsuit, I emailed  
the Complaint, Summonses, Motion for Temporary Restraining Oder and accompanying  
declarations, and the Proposed Temporary Restraining Order to Monahan & Biagi, PLLC, a local  
Seattle law firm listed as counsel for Epsilon II in the offering memorandums. In addition, I  
emailed the same documents to Karen Tomblin and George Rudman of Epsilon Management

DECLARATION OF BRADLEY P. THORESON IN  
SUPPORT OF MOTION FOR TEMPORARY RESTRAINING  
ORDER - 1

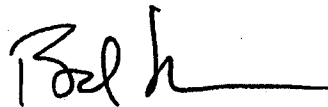
FOSTER PEPPER PLLC  
1111 THIRD AVENUE, SUITE 3400  
SEATTLE, WASHINGTON 98101-3299  
PHONE (206) 447-4400 FAX (206) 447-9700

1 and to Steven Stevanovich at his Epsilon email address. As Steven Stevanovich manages all of  
2 the Defendant companies, providing notice to him puts all of the Defendants on notice. In my  
3 email to the various people and entities, I stated that SCERS would be moving for the issuance of  
4 a TRO before a Commissioner at the King County Courthouse, 516 Third Avenue, Seattle, WA  
5 98104 at approximately 9:10 a.m.

6 3. Attached as Exhibit A is copy of the application of the appointment of a liquidator  
7 filed by an investor in Westford I, another fund managed by Steven Stevanovich.

8 I declare under penalty of perjury under the laws of the State of Washington the  
9 foregoing is true and correct to the best of my knowledge, information, and belief.

10 Executed this 15th day of March, 2010 in Seattle, Washington.

11  
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13 Bradley P. Thoreson  
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**DECLARATION OF BRADLEY P. THORESON IN  
SUPPORT OF MOTION FOR TEMPORARY RESTRAINING  
ORDER - 2**

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**FOSTER PEPPER PLLC  
1111 THIRD AVENUE, SUITE 3400  
SEATTLE, WASHINGTON 98101-3299  
PHONE (206) 447-4400 FAX (206) 447-9700**

Exhibit C

Exhibit C

PRESENT IN PERSON

10 MAR 16 AM 10:51

KING COUNTY  
SUPERIOR COURT CLERK  
SEATTLE, WA

EXPO 1

FILED  
KING COUNTY, WASHINGTON

MAR 16 2010

DEPARTMENT OF  
JUDICIAL ADMINISTRATION

SUPERIOR COURT OF WASHINGTON IN AND FOR KING COUNTY

SEATTLE CITY EMPLOYEES'  
RETIREMENT SYSTEM, an agency of the  
City of Seattle,

Plaintiff,

v.

EPSILON GLOBAL ACTIVE VALUE FUND  
II, LTD., a British Virgin Islands corporation,  
EPSILON GLOBAL MASTER FUND II, L.P.,  
a limited partnership formed under the laws of  
the Cayman Islands, EPSILON INVESTMENT  
MANAGEMENT, LLC, a Delaware limited  
liability company, EPSILON GLOBAL ASSET  
MANAGEMENT LTD., a corporation formed  
under the laws of the Cayman Islands, and  
STEVEN G. STEVANOVICH, a resident of  
Florida,

Defendants.

Cause No. 10-2-10235-3 SEA

~~PROPOSED~~ AMENDED  
TEMPORARY RESTRAINING ORDER  
AND ORDER TO SHOW CAUSE WHY  
A PRELIMINARY INJUNCTION  
SHOULD NOT ISSUE

This matter came on regularly before the Court upon the Motion For A Temporary Restraining Order And Order To Show Cause Why A Preliminary Injunction Should Not Issue ("Motion") filed by Seattle City Employees' Retirement System ("SCERS").

SCERS seeks an order: (1) requiring Defendant Epsilon Global Active Value Fund II, Ltd. ("Epsilon II") to produce to SCERS an annual report and audited financial statement for the 2008 fiscal year and to provide the annual report and audited financial statement for the 2009 fiscal year when they come due on May 1, 2010; or (2) to the extent the 2008 annual report and 2008 audited financial statement do not exist, requiring Defendant Epsilon II to produce all

AMENDED TEMPORARY RESTRAINING ORDER AND ORDER  
TO SHOW CAUSE WHY A PRELIMINARY INJUNCTION  
SHOULD NOT ISSUE - 1

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1 underlying documents provided to Epsilon II's auditor, PricewaterhouseCoopers ("PwC"), for  
2 the purposes of preparing 2008 audited financial statements for Epsilon II; or (3) to the extent  
3 Epsilon II is unable to produce the 2008 annual report and audited financial statements, or all  
4 underlying documents provided to Epsilon II's auditor, PwC, for the purposes of preparing the  
5 2008 audited financial statements for Epsilon II because Defendants Epsilon Global Master Fund  
6 II, L.P. ("Epsilon Master"), Epsilon Global Asset Management Ltd. ("Epsilon Global"), Epsilon  
7 Investment Management, LLC ("Epsilon Management") and Steven G. Stevanovich  
8 ("Stevanovich") (collectively "Defendants") have such documents, requiring Defendants to  
9 produce the above-mentioned documents to SCERS; and (4) directing the immediate issuance of  
10 a subpoena requiring Equinox Alternative Investment Services Ltd., Epsilon II's current fund  
11 administrator/broker; Goldman Sachs & Co., Epsilon II's former broker; JPMorgan Chase,  
12 Epsilon II's former broker; and PwC, Epsilon II's auditor, to produce all financial information  
13 related to Epsilon II from 2003 to present; and (5) preventing Epsilon II from taking any action  
14 harmful to Plaintiff's position as an investor in Epsilon II and/or its investment in Epsilon II; and  
15 (6) preventing Epsilon II from paying any management fee to Epsilon Management, or any other  
16 entity, while redemptions are not being permitted from Epsilon II.

17 The Court has considered all of the records and files herein, including the following:

- 18 1. Plaintiff's Summons and Complaint;
- 19 2. Plaintiff's Motion For A Temporary Restraining Order And Order To Show  
20 Cause Why A Preliminary Injunction Should Not Issue;
- 21 3. Declaration of Cecelia Carter In Support of Plaintiff's Motion For Injunctive  
22 Relief with attached exhibits;
- 23 4. Declaration of Bradley P. Thoreson with attached exhibits;
- 24 5. Plaintiff's Proposed Temporary Restraining Order and Order to Show Cause Why  
25 A Preliminary Injunction Should Not Issue.
- 26 6. Any opposition pleadings filed by Defendants.



7. Any reply pleadings filed by Plaintiff.

Based on the record, as well as the oral argument of counsel, and being otherwise fully informed,

**THE COURT FINDS THAT:**

1. This Court has jurisdiction in this matter and venue is proper in King County, Washington;

2. SCERS provided Notice to Defendants of this motion on March 15, 2010;

3. SCERS has demonstrated a substantial likelihood of success on the merits of its claims by demonstrating a clear legal right, pursuant to the agreement between it and Epsilon II, to the 2008 annual report and audited financial statement, or to the extent the 2008 annual report and audited financial statement do not exist, all underlying documents provided to Epsilon II's auditor, PwC, for the purposes of preparing 2008 audited financial statement;

4. SCERS also has a clear legal right to demand the 2008 annual report and 2008 audited financial statements from Stevanovich, Epsilon Master Fund, Epsilon Global, and/or Epsilon Management, to the extent these related entities have the documents;

5. Epsilon II's consistent refusal to comply with the parties' contract and indication it does not intend to provide these documents provides a well grounded fear of immediate invasion of SCERS's right to these documents;

6. Defendants' cavalier refusal to produce financial records regarding SCERS's Epsilon II investment has left SCERS in the dark regarding the true value of its investment and SCERS will be irreparably harmed if Epsilon II is permitted to take any other action that will be harmful to it as an investor or its investment (especially in light of the fact that Epsilon II is currently not permitting SCERS to redeem its shares), or if Epsilon II continues to pay any management fee while SCERS is being denied redemption (and therefore, no work is being done with respect to SCERS's investment). Under these circumstances, an immediate injunction is necessary to protect SCERS from being further damaged;

7. The balance of equities in this matter tilt sharply in favor of Plaintiff. Defendants' conduct is clearly at odds with the parties' contract and Defendants are not entitled to stonewall SCERS, hiding behind the various corporate entities operated by Stevanovich in blatant disregard of SCERS's rights.

Based on these findings, and upon all of the other facts submitted to the Court, NOW THEREFORE, it is hereby:

**ORDERED AND DECREED THAT:**

1. Plaintiff's Motion For A Temporary Restraining Order And Order To Show Cause Why A Preliminary Injunction Should Not Issue is **GRANTED**;


2. The Temporary Restraining Order shall remain in full force and effect pending the Court's determination on an Order to Show Cause Why A Preliminary Injunction Should Not Issue currently set for March 29, 2010 at 4:00 PM before the

HONORABLE Carol Schapira, Department 28, King County Courthouse, Seattle, Washington; and

Defendants, and any agents or other parties acting on behalf of or in concert with Defendants, are hereby **ORDERED** to: (1) produce to SCERS an annual report and audited financial statement for the 2008 fiscal year and to provide the annual report and audited financial statement for the 2009 fiscal year when they come due on May 1, 2010; or (2) to the extent the 2008 annual report and 2008 audited financial statement do not exist, produce all underlying documents provided to Epsilon II's auditor, PricewaterhouseCoopers ("PwC"), for the purposes of preparing 2008 audited financial statements for Epsilon II; and (3) Equinox Alternative Investment Services Ltd., Epsilon II's current fund administrator/broker; Goldman Sachs & Co., Epsilon II's former broker; JPMorgan Chase, Epsilon II's former broker; and PwC, Epsilon II's auditor, are to produce all financial information related to Epsilon II from 2003 to present; and (5) Epsilon II is to cease from taking any action harmful to Plaintiff's position as an investor in Epsilon II and/or its investment in Epsilon II; and (6) Epsilon II is to cease from paying any

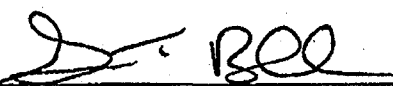
1 management fee to Epsilon Management, or any other entity, while redemptions are not being  
2 permitted from Epsilon II.

3  
4 DONE IN OPEN COURT this 16<sup>th</sup> day of March, 2010.

5  
6  
7   
8 The Honorable Kathleen Ruyar  
C.M. P.T.

9 Presented By:

10 FOSTER PEPPER PLLC

11   
12 Bradley P. Thoreson, WSBA No. 18190  
13 Samuel T. Bull, WSBA No. 34387  
14 Miriam H. Cho, WSBA No. 40238  
Attorneys for Plaintiff Seattle City Retirement Systems

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AMENDED TEMPORARY RESTRAINING ORDER AND ORDER  
TO SHOW CAUSE WHY A PRELIMINARY INJUNCTION  
SHOULD NOT ISSUE - 5

FOSTER PEPPER PLLC  
1111 THIRD AVENUE, SUITE 3400  
SEATTLE, WASHINGTON 98101-3299  
PHONE (206) 447-4400 FAX (206) 447-9700

Exhibit D

Exhibit D

# WALKERS

BRITISH VIRGIN ISLANDS

BY HAND

CAYMAN ISLANDS

23 March 2010

DUBAI

Our Ref: JPE/SJH/S5215.B06328

HONG KONG

JERSEY

LONDON

Epsilon Global Active Value Fund II, LTd.  
c/- Harneys Corporate Services Limited  
Craigmuir Chambers  
P.O. Box 71  
Road Town, Tortola  
British Virgin Islands

Dear Sirs

SEATTLE CITY EMPLOYEES SYSTEM -V- EPSILON GLOBAL ACTIVE VALUE FUND II  
LTD. & ORS

SUPERIOR COURT OF WASHINGTON IN AND FOR KING COUNTY  
CAUSE NO. 10-2-10235-3 SEA

We act on behalf of Seattle City Employees' Retirement System. We enclose, by way of service, the following documents:

1. Summons;
2. Complaint for Injunctive Relief;
3. Order Setting Civil Case Schedule;
4. Temporary Restraining Order/Order to Show Cause;
5. Motion for Temporary Restraining Order and For Order to Show Cause;
6. Declaration of Brad Thoreson; and
7. Declaration of Cecelia Carter.

Please acknowledge service of the enclosed documents by signing the duplicate letter enclosed.

Yours sincerely

*Walkers.*

Julie Engwirda  
WALKERS

Direct Tel: 1 284 852 2205  
Direct Fax: 1 284 494 6683  
Email: Julie.Engwirda@walkersglobal.com

Served on: EPSILON GLOBAL ACTIVE VALUE  
FUND II LTD.  
Served at: c/- HARNEYS CORPORATE SERVICES  
Road Town, Tortola LIMITED.  
British Virgin Islands  
Served by: Winfield Smith  
Date of Service: 23 MARCH, 2010  
Time of Service: 3:10 PM  
Recipient's Signature: *[Signature]*  
Name & Position: Joanne Turnbull  
Team Leader  
Investment Funds & Pensions  
Walkers

171 Main Street, PO Box 92, Road Town

Tortola, British Virgin Islands, VG 1110

T +1 284 494 2204 F +1 284 494 5535 www.walkersglobal.com

Exhibit E

Exhibit E



1201 Third Avenue, Suite 4800  
Seattle, WA 98101-3099  
PHONE: 206.359.8000  
FAX: 206.359.9000  
www.perkinscoie.com

Harry H. Schneider, Jr.  
PHONE: (206) 359-8508  
FAX: (206) 359-9508  
EMAIL: HSchneider@perkinscoie.com

March 24, 2010

**VIA FACSIMILE AND EMAIL**

Bradley P. Thoreson  
Foster Pepper PLLC  
1111 Third Avenue, Suite 3400  
Seattle, WA 98101

**Re: Seattle City Employees' Retirement System v. Epsilon Global Active Value Fund II, Ltd., et al.**

Dear Brad:

As Joe McMillan and I indicated on the phone this morning, we have been asked by Epsilon Global Active Value Fund II, Ltd., to appear on its behalf in the referenced lawsuit. There are arrangements that need to be made before we undertake the representation and enter the case, but we expect those to be in place within the next 48 hours. We also may appear for one or more of the other defendants.

Thanks for providing us a copy of the pleadings, notices, orders and other court filings to date. We received those materials from your colleague this afternoon.

We understand a hearing on issuance of a preliminary injunction is set for Monday, March 29. That briefing schedule would require an opposition to be filed by noon tomorrow. Obviously we cannot be prepared to respond adequately on the merits of the motion by tomorrow and therefore we ask that you agree to have the hearing and briefing rescheduled to a mutually convenient date. We understand you will inquire of your client and let us know. Unless we hear back from you by mid-day tomorrow that your client agrees to reschedule, we will be compelled to file a motion seeking a continuance on shortened time.

73288-0001/LEGAL17962297.1

ANCHORAGE · BEIJING · BELLEVUE · BOISE · CHICAGO · DENVER · LOS ANGELES · MADISON  
MENLO PARK · PHOENIX · PORTLAND · SAN FRANCISCO · SEATTLE · SHANGHAI · WASHINGTON, D.C.

Perkins Coie LLP and Affiliates

Bradley P. Thoreson  
March 24, 2010  
Page 2

We would agree that the TRO does not expire for a period of two additional weeks in order to make sure the status quo is preserved.

Very truly yours,

A handwritten signature in black ink, appearing to be "H. Schneider", with a long, sweeping horizontal line extending to the right.

Harry H. Schneider, Jr.

cc: Joseph M. McMillan  
Jeffrey M. Hanson



Exhibit F

Exhibit F

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**From:** Samuel Bull [BullS@foster.com]  
**Sent:** Wednesday, March 24, 2010 8:21 PM  
**To:** Ditlevson, Roxann (Perkins Coie); Schneider, Harry (Perkins Coie); McMillan, Joseph M. (Perkins Coie); Hanson, Jeff (Perkins Coie)  
**Cc:** thoreb@foster.com; Miriam H. Cho  
**Subject:** RE: Seattle City Employees' Retirement System v. Epsilon Global Active Value Fund II, Ltd., et al.

Dear Harry et al.,

There are a couple of issues we need to address:

(1) Our office got a call from the Court late this afternoon regarding the hearing time for Monday's scheduled preliminary injunction hearing. The Court has a conflict with the originally scheduled 4 p.m. time slot and has offered two alternative times, Monday at 8:45 a.m. and Wednesday at 4:00. Brad has a conflicting hearing scheduled for Wednesday, so we can't do that time. Because of this, we will inform the Court that we would like the 8:45 a.m. hearing time on Monday.

(2) You have requested that we agree to continuing the preliminary injunction hearing date. As part of that request, you have stated that you would be willing to extend the TRO for an additional two weeks until a new preliminary injunction hearing date. As you know, the TRO requires your client(s) to produce specific documents. To date, your client(s) has ignored the TRO and has not produced a single document. If you agree to abide by the terms of the TRO and produce the ordered documents by no later than Friday, April 2, then we will agree to continue the preliminary injunction hearing by two weeks. Unless you actually agree to provide the documents required under the terms of the TRO, your agreement to extend the TRO for 2 weeks is meaningless. As such, any agreement to extend the duration of the TRO necessarily requires an agreement that your client(s) will abide by the terms of the TRO.

We look forward to hearing from you soon.

Sam  
Samuel T. Bull  
Foster Pepper PLLC  
1111 Third Ave., Suite 3400  
Seattle, WA 98101  
Tel. (206) 447-5142  
Fax (206) 749-1949

-----Original Message-----

From: Ditlevson, Roxann (Perkins Coie) [mailto:RDitlevson@perkinscoie.com]  
Sent: Wed 3/24/2010 5:00 PM  
To: thoreb@foster.com; Samuel Bull; Miriam H. Cho  
Cc: Schneider, Harry (Perkins Coie); McMillan, Joseph M. (Perkins Coie); Hanson, Jeff (Perkins Coie); Ditlevson, Roxann (Perkins Coie)  
Subject: Seattle City Employees' Retirement System v. Epsilon Global Active Value Fund II, Ltd., et al.

3/24/10 Perkins Coie letter to Foster Pepper regarding hearing on issuance of a preliminary injunction currently set for Monday, March 29, 2010, and proposed rescheduling of same.

<<Document.pdf>>

Roxann Ditlevson (Rox) ~ Perkins Coie LLP  
Legal Secretary  
1201 Third Ave., Suite 4800  
Seattle, WA 98101  
206-359-3424  
RDitlevson@perkinscoie.com

3/25/2010

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\* \* \* \* \*

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